

# AGENDA

**Franchise Tax Board Meeting  
Tuesday, February 8, 2000 - 2:00 p.m.  
State Board of Equalization  
450 N Street, Room 121\*  
Sacramento, CA 95814**

## **Open Session**

**Item 1. Approval of Minutes**

Approval of Minutes of the December 16, 1999, Board meeting.

**Item 2. Child Support**

Status report and Board discussion.

**Item 3. Internet Filing**

Status report and Board discussion of alternatives.

**Item 4. Nanny Tax Matters**

Report and Board discussion.

**Item 5. Update on Performance Audit**

**Item 6. Status Report Regarding Matters Discussed at the December 16, 1999,  
Taxpayers' Bill of Rights Hearing**

**Item 7. Update on Governor's Budget**

**Item 8. Legislative Matters**

a. Consideration of legislative proposals suggested at the Taxpayers' Bill of Rights Hearing on December 16, 1999.

b. Bills for Position.

**Item 9. Regulation Matters**

a. Report on Proposed Regulation 25106.5-1 (Combined Reporting – Intercompany Transactions).

b. Report on Proposed Regulation 25137(c) (Sales Factor – Occasional Sale of Intangible Assets).

- c. Report on Proposed Regulations 19041 and 19044 (Protests).
- d. Report on Proposed Regulations 25106.5 (Mechanics of Combined Reporting) and 25106.5-2 (Capital Gains in a Combined Report).
- e. Report on Proposed Regulation 17951-4 (Income Sourcing).
- f. Report on Proposed Regulations 17252.5-1, 17265-1, 17266-1, 17267.2-1, 24356.2-1, 24356.3-1, 24356.4-1, 24356.7-1 (Recapture of Deduction for Qualified Property Previously Used).
- g. Report on Proposed Regulation 23334 (Tax Clearance Certificate).
- h. Report on Proposed Regulation 18567 (Extensions of Time for Filing Income Tax Returns).
- i. Consideration of Proposed Regulation Projects under Revenue and Taxation Code sections 17276 and 24416 (relating to net operating losses).

**Item 10. Administrative Matters**

- a. FY 2000/01 Budget – Spring Finance Letters.
- b. Facilities Action Request (Form 9) for approval: Santa Ana District Office – public service lobby security upgrades, renegotiate the leases (two) to include security upgrades; Central Office – expansion of data center input/output room; Central Office – construction of a small server room.

**Item 11. Applications for Voluntary Disclosure**

Board consideration of staff recommendations regarding anonymous Applications for Voluntary Disclosure filed pursuant to Revenue and Taxation Code section 19191.

**Item 12. Revenue and Taxation Section 23101.5 Petition**

Board consideration of staff recommendation regarding an application for an extension submitted by Concorp International Limited, d.b.a. Afcorp, Inc.

**Item 13. California Tax Policy Conference**

Resolution regarding location of the California Tax Policy Conference in 2001 and 2002.

**Item 14. Executive Officer's Time**

**Item 15. Board Members' Time**

**Item 16. Chair Announcement Regarding Closed Session**

### **Closed Session**

**Item A.** Closed session to consider recommendations regarding settlement of administrative tax disputes. Closed session is authorized by subdivision (c)(10) of Section 11126 of the Government Code and required by Section 19442 of the Revenue and Taxation Code.

**Item B.** Closed session to allow the Board to confer with and receive advice from legal counsel regarding pending litigation, and to consider recommendations to settle two litigation cases (The Lamson & Sessions Co. v. Franchise Tax Board) and (Bankruptcy Estates of Thomas and Susan Hollingsworth v. Franchise Tax Board). Closed session is authorized by Government Code Section 11126(e)(1).

**Item C.** Closed session to consider recommendations regarding petitions filed pursuant to Revenue and Taxation Code Section 25137. Closed session is authorized by Government Code Section 11126 (c)(10) and Revenue and Taxation Code Section 19542.

**Item D.** Closed session to consider recommendations regarding Offers in Compromise. Closed session is authorized by Government Code Section 11126 (c)(10) and Revenue and Taxation Section 19542 of the Revenue and Taxation Code.

**Item E.** Closed session to discuss and act on Personnel Matters. Closed session is authorized by Government Code Section 11126(a)(1).

- \* When the circumstances warrant, the Chair may modify the order of the agenda items.**
- \* The Board may take action with respect to ANY agenda item consistent with Government Code Section 11125(b).**
- \* This facility is architecturally accessible to persons with physical disabilities.**